

**Texas Department of Insurance, Division of Workers' Compensation**

Medical Fee Dispute Resolution, MS-48

7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1609

**MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION****PART I: GENERAL INFORMATION**

Requestor's Name and Address:  NORTH CENTRAL SURGICAL HOSPITAL 9301 NORTH CENTRAL EXPRESSWAY # 100 DALLAS TX 75234	MFDR Tracking #:	M4-09-5620-01
	DWC Claim #:	
	Injured Employee:	
Respondent Name and Box #:  ACE AMERICAN INSURANCE COMPANY  Rep Box #: 15	Date of Injury:	
	Employer Name:	
	Insurance Carrier #:	

**PART II: REQUESTOR'S POSITION SUMMARY AND PRINCIPLE DOCUMENTATION**

Requestor's Position Summary taken from the Table of Disputed Services: "Not paid according to 200% of APC."

## Principle Documentation:

1. DWC 60 package
2. Hospital Bill(s)
3. EOB(s)
4. Medical Records
5. Department of Health and Human Services Health Insurance Benefit Agreement dated 06/13/2008
6. Department of Health and Human Services Hospital License
7. Total Amount Sought \$4,081.78

**PART III: RESPONDENT'S POSITION SUMMARY AND PRINCIPLE DOCUMENTATION**

The Respondent did not submit a response to the DWC 60.

**PART IV: SUMMARY OF FINDINGS**

Date(s) of Service	Services in Dispute	Calculation	Amount in Dispute	Amount Due
07/25/2008	CPT code 26530-FA and CPT code 26540-FA	<b>CPT Code 26530-FA;</b> \$254.25(APC) + \$0.00 (Outlier Amount) + \$0.00 (Fee Schedule) = \$254.25 (OPPS) x 200% = \$508.50 (MAR) minus \$543.42 (Carrier Reimbursement) equals \$0.00 (Due Requestor) <b>CPT Code 26540-FA;</b> \$628.16(APC) + \$0.00 (Outlier Amount) + \$0.00 (Fee Schedule) = \$628.16 (OPPS) x 200% = \$1,256.32 (MAR) minus \$925.00 (Carrier Reimbursement) equals \$331.32 (Due Requestor)	\$4,081.78	\$331.32
Total Due:				\$331.32

**PART V: REVIEW OF SUMMARY, METHODOLOGY AND EXPLANATION**

Texas Labor Code Section 413.011(a-d), titled *Reimbursement Policies and Guidelines*, and Division Rule §134.403, titled *Hospital Facility Fee Guideline – Outpatient*, effective for medical services provided in an Acute Care Hospital on or after March 1, 2008, set out the reimbursement guidelines for Hospital outpatient services.

This dispute was filed in the form and manner as prescribed by 28 TAC §133.307 and meets the requirements for medical dispute

resolution under 28 TAC §133.305 (a)(4).

1. The The disputed services were denied or reduced by the insurance carrier based upon:  
Explanation of benefits dated 12/09/2008 noted claim reduction codes:
  - 080 — Review of this bill has resulted in an adjusted reimbursement of...1468.42.Response to Appeal Letter dated 11/19/2008 noted:
  - \*\* — In order for us to process your workers' compensation bill in a timely manner we need additional information. In the future please be sure that the following are on your submittal for review and/or payment...Resubmit on proper HCFA 1500 form with required patient information included.Response to Appeal Letter dated of 01/02/2009 noted:
  - \*\* — We recently received your appeal letter regarding the above referenced workers' compensation bill. We have compared your billing with the audit report prepared. Based upon the information that we have received, we believe our audit is correct.
2. Rule 134.403 (e) states in pertinent part, "Regardless of billed amount, reimbursement shall be:
  - (1) the amount for the service that is included in a specific fee schedule set in a contract that complies with the requirements of Labor Code 413.011; or
  - (2) if no contracted fee schedule exists that complies with Labor Code 413.011, the maximum allowable reimbursement (MAR) amount under subsection (f), including any applicable outlier payment amounts and reimbursement for implantables;..."
3. Pursuant to Rule 134.403(f), "The reimbursement calculation used for establishing the MAR shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the *Federal Register*. The following minimal modifications shall be applied.
  - (1) The sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by:
    - (A) 200 percent; unless
    - (B) a facility or surgical implant provider requests separate reimbursement in accordance with subsection (g) of this section, in which case the facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 130 percent."
4. Upon review of the documentation submitted by the requestor and respondent, the Division finds that:
  - (1) No contract exists;
  - (2) MAR can be established for these services; and
  - (3) Separate reimbursement for implantables was *NOT* requested by the requestor.
5. Under the Medicare Outpatient Prospective Payment System (OPPS), all services paid under OPPS are classified into groups called Ambulatory Payment Classifications or APCs. Services in each APC are similar clinically and in terms of the resources they require. A payment rate is established for each APC. Depending on the services provided, hospitals may be paid for more than one APC for an encounter. Within each APC, payment for ancillary and supportive items and services is packaged into payment for the primary independent service. Separate payments are not made for a packaged service, which is considered an integral part of another service that is paid under OPPS. An OPPS payment status indicator is assigned to every HCPCS code. Status codes are proposed and finalized by Medicare periodically. The status indicator for each HCPCS codes is shown in OPPS Addendum B which is publicly available through the Centers for Medicare and Medicaid services. A full list of status indicators and their definitions is published in Addendum D1 of the OPPS proposed and final rules each year which is also publicly available through the Centers for Medicare and Medicaid services.
6. The requestor lists CPT codes 26530-FA and 26540-FA as the codes in dispute.
7. CPT code 26530-FA has a status indicator of S. Status S codes are defined as Outpatient significant procedures not subject to multiple procedure discounting. The APC payment for CPT code 26530-FA is \$254.25 (APC) x 200% = \$508.50. The insurance carrier reimbursed a total of \$543.42 leaving a balance owed of \$0.00.
8. CPT code 26540-FA has a status indicator of S. Status S codes are defined as Outpatient significant procedures not subject to multiple procedure discounting. The APC payment for CPT code 26540-FA is \$628.16 (APC) x 200% = \$1,256.32. The insurance carrier reimbursed a total of \$925.00 leaving a balance owed of \$331.32.

Based upon the documentation submitted by the parties and in accordance with Texas Labor Code Sec. 413.031 (c), the Division concludes that the requestor is due additional payment. As a result, the amount ordered is \$331.96.

**PART VI: GENERAL PAYMENT POLICIES/REFERENCES**

Texas Labor Code Sec. §413.011(a-d), §413.031 and §413.0311  
28 TAC Rule §134.403  
28 TAC Rule §133.307  
28 TAC Rule §133.305

**PART VII: ORDER**

The Division hereby ORDERS the respondent to remit to the requestor the amount of \$331.96 plus accrued interest per Rule §134.130, due within 30 days of receipt of this order.

04/20/2010

Authorized Signature

Medical Fee Dispute Resolution Officer

Date

**PART VIII: YOUR RIGHT TO REQUEST AN APPEAL**

Either party to this medical fee dispute has a right to request an appeal. A request for hearing must be in writing and it must be received by the DWC Chief Clerk of Proceedings within **20** (twenty) days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. **Please include a copy of the Medical Fee Dispute Resolution Findings and Decision** together with other required information specified in Division Rule 148.3(c).

Under Texas Labor Code Section 413.0311, your appeal will be handled by a Division hearing under Title 28 Texas Administrative Code Chapter 142 Rules if the total amount sought does not exceed \$2,000. If the total amount sought exceeds \$2,000, a hearing will be conducted by the State Office of Administrative Hearings under Texas Labor Code Section 413.031.

**Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.**